



D. A. McCosker, President

Steve Harris, Vice President

Dave Thomas, Secretary

Mike Hester, Treasurer

August 9, 2013

Jeff Armstrong, Chair
California Uniform Construction Cost Accounting Commission
Office of the State Controller
Division of Accounting and Reporting
P.O. Box 942850
Sacramento, CA 94250

Sent via Fax and Email with original to follow

Dear Mr. Armstrong and Commissioners;

The Construction Industry Force Account Council (CIFAC) is a non-profit organization that represents various members of the public works construction industry throughout California. We work to ensure compliance with the California Public Contract Code by public entities. Thus, we qualify as an interested party per the Act requirements.

We request that the Commission review the County of Sacramento, "Northgate Road Project". It is our belief that they have exceeded their force account limit, as established in Public Contract Code Section, 22032 (a). This violation occurred due to the Road Commissioner's failure to publicly declare that this work was to be performed by force account **prior** to commencing work. This is a requirement under PCC 22031(e).

Here is the sequence of events:

- On Friday, June 14, 2013 we were able to obtain a list of Road Commissioner projects from Michael Penrose, Public Works Director, in which he listed all current exempt projects. Northgate was not on that list.
- On June 17, 2013 the County was observed doing road work on Northgate Boulevard.
- On June 19, 2013 the County replied to CIFAC's request for evidence, with a copy of the declaration dated June 17, 2013 and stated the approximate value of the work would be \$108,000. They were observed working in excess of 8 hours per day, using outside trucking and other subcontractors.
- Attempts were made to get costs on the project that was observed to be on-going, through the remainder of June and in early July. Pavement markings were done by County crews the first week on August 2013. CIFAC was told that the County would not be giving costs on projects until the end of their year.
- On August 8, 2013 CIFAC received a listing of County Costs for the project (attached). These costs run from June 17 to June 28, 2013. These costs do not reflect the total cost of the project. These costs show that the County had spent \$284,993 for the first 10 days of work.

It is our opinion that the County has not met the requirement of publicly declaring the work prior to the commencement, that they are thus by their own records in violation of their \$45,000 force account threshold and that their estimate of the work done has been far exceeded. The intent of the Act and its requirements are to allow for equitable accounting and for transparency to the industry and the general public. Declarations that are not available until later dates, or unless someone sees the work and requests the information from the Department void any attempt to be transparent or comply with the law. Estimates that are not reasonably accurate do not allow the public to know on-going costs nor is there a check and balance system of monies being spent.

We have attached the email correspondence we have had with the Director of Transportation. We have also attached a copy of the complaint to the County of Sacramento, sent via certified mail as required. Please feel free to contact me or Sally Riley, Senior Field Representative at 530.549.3805 or sriley@cifac.org, should you have any questions regarding this complaint. We appreciate the Commissions timely response.

Sincerely,



Cathryn Hilliard, Executive Director

Attachments: Emails
Project Cost Chart
Copy of Letter to Sacramento County

Received June 14, 2013

From: Penrose, Michael [<mailto:penrosem@SacCounty.NET>]

Sent: Friday, June 14, 2013 9:01 AM

To: Sally Riley

Subject: FW: In-House Projects

Sally,

Sorry about the confusion on this information request. Here's the email that I mistakenly sent to the wrong email address (srilet@... instead of sriley@...) last month in response to your inquiry at that time. Going forward if you have specific work locations that you are interested in under what authority we are accomplishing that work please contact me directly and I will do my best to respond to your inquiry. Further since your inquiry last month the County road crews are doing the following locations under the road commissioner authority: Garden Highway – North Bayou to Elverta Road – roadway paving project

Fleming Ave – Stockton Blvd to Del

Coronado - roadway paving project

Orangevale Ave – City Limits to West of

Chestnut Ave – roadway paving project

Twin Cities Rd – RR Tracks to Midway Rd

– roadway paving project

Scott Rd – Boys Ranch Rd to 2000 ft. s/o

Boys Ranch Rd – roadway paving project

Scott Rd – Scott Ranch to 2000 ft. n/o

Scott Ranch – roadway paving project

Sierra Point Dr. – roadway paving project

Received June 19, 2013

From: Penrose, Michael

To: Sally Riley

Sally,

Attached is a copy of the declaration for the subject project location. The estimated cost of the project is \$108,000. The declaration was made June 17, 2013 as noted on the document. The declaration was made at the Sacramento County Department of Transportation building at 906 G Street, Suite 510, Sacramento, CA 95814. A record of the declaration is maintained at the Sacramento County Department of Transportation. Copies of the declaration have been sent to each of the County Board of Supervisors.

Acknowledgement of that correspondence to the Board Members will be posted on the July 16, 2013 Board hearing agenda under the section "Communications Received and Filed in Accordance with Resolution No. 83-1346"

To provide you some information on the process we are using in meeting the requirements of AB 720. As the County Road Commissioner, I am making the declaration for the work that is being done under the procedures set forth in Article 25 of Chapter 1 of the Public Contract Code in advance of the work being done. A record of the declaration is maintained in the Sacramento County Department of Transportation. Copies of the declaration are sent to the Sacramento County Board of Supervisors. Acknowledgement of the correspondence to the Board Members is posted on a subsequent Board hearing agenda under the section "Communications Received and Filed in Accordance with Resolution No. 83-1346". Project specific cost accounting is done for each project done under this authority. At the year end the total costs for the declared work will be compiled and used in the determination that the County is conforming to the requirements of Public Contract Code Section 22031.

Thanks

Michael Penrose

Director
SacDOT

Municipal Services Agency

916.874.8655 (office)
916.874.7831 (fax)
www.sacdot.com
Sacramento County
www.saccounty.net

From: Sally Riley [<mailto:sriley@cifac.org>]
Sent: Wednesday, June 19, 2013 10:58 AM
To: Penrose. Michael
Subject: Road Work North Gate and North Market

Michael, could I please have the cost breakdown and a copy of the declaration and where and when it was declared for North Gate and North Market.

Thank You, Sally Riley

Department of Transportation
Michael J. Penrose, Director



Division
Administrative
Maintenance & Operations
Planning & Design

County of Sacramento

June 17, 2013

Re: Public Contract Code § 22031(e) Declaration

Pursuant to Public Contract Code section 22031(e), this letter constitutes my declaration as County Road Commissioner that, as an alternative to the procedures set forth in the Uniform Public Construction Cost Accounting Act, I intend to utilize the procedures set forth in Article 25 (commencing with Section 20390) of Chapter 1 of the Public Contract Code in connection with the following work: Northgate Blvd - Between North Market Blvd and I-80 – roadway paving project.

A handwritten signature in blue ink, appearing to read "MJP", is written over a horizontal line.

Michael J. Penrose
County Road Commissioner

MJP/dlr

Cc: Board of Supervisors
Chief Deputy County Executive for Municipal Services

Received June 28, 2013

From: Penrose, Michael
To: Sally Riley
Sally,

I'm on vacation until July 8. I will have our staff pull those actual costs once I get back. Sally please note I do not intend on providing you detailed cost accounting on a project by project basis as we go throughout the year. We will be preparing an overall actual cost summary to be used to demonstrate our compliance with AB 720 rules once the Road Report is completed in the next couple of months.

Thanks

Michael Penrose

Director
SacDOT

Municipal Services Agency

916.874.8655 (office)
916.874.7831 (fax)
www.sacdot.com
Sacramento County
www.saccounty.net

From: Sally Riley [<mailto:sriley@cifac.org>]
Sent: Friday, June 28, 2013 9:11 AM
To: Penrose, Michael
Subject: North Gate and North Market costs

Michael, could you please provide me with a cost breakdown on North Gate and North Market? I am looking for labor, equipment (listed), materials and a start/finish date.

Thank You very much for your time.

Sally Riley, Senior Field Representative
CIFAC
Sriley@cifac.org

Received 8/5/2013

Yes I can. I'll get it to you in the next few days. We decided to wait until year end closed to compile the information that happens for us near the end of July.

Thanks

Michael Penrose

Director
SacDOT

Municipal Services Agency

916.874.8655 (office)
916.874.7831 (fax)
www.sacdot.com
Sacramento County
www.saccounty.net

From: Sally Riley [<mailto:sriley@cifac.org>]

Sent: Monday, August 05, 2013 7:21 AM

To: Penrose. Michael

Subject: Northgate Roadwork

Michael, Per our correspondence on 6/28/13, Can you provide me with the costs on the Northgate work. I am looking for start and end dates, labor, equipment, subcontractors and material costs. Thank you very much for your time. If you can not provide the information at this time, I appreciate a response.

Sally Riley, Senior Field Representative

CIFAC

sriley@cifac.org

530.549.3805



COPY

August 9, 2013

Supervisor Susan Peters, Chair and Board Members
Sacramento County Board of Supervisors
700 H Street, Suite 1450
Sacramento, CA 95814

Sent via Certified Mail

Subject: Violation of the California Uniform Construction Cost Accounting Act
Northgate Area

Dear Supervisor Peters and Members of the Board,

This letter is to serve as notice to you, per California Public Contract Code Section, 22043(b) that we are filing a formal complaint with the California Uniform Construction Cost Accounting Commission that you are in violation of the Act. We assert that you have violated your force account limit of \$45,000 on the Northgate Road Paving Project, by not publically declaring the intent to self-perform this work PRIOR to the commencement of work, as required by PCC Section 22031(e). We are requesting the Commission to review this project at its August 22nd meeting and issue a ruling.

The Construction Industry Force Account Council is a non-profit organization that represents members of the industry.

Sincerely,

Cathryn Hilliard, Executive Director

cc: Michael J. Penrose, Director, Transportation Department

Northside Maintenance

Northgate Blvd Cost and Accomplishment

Countywide

Cost Summary Detail

Charge		Description		Initiate	
Date	Type	Item	Description	HS	Rate
06/19/13 Equip	R105	R105	RENTAL ASPHALT GRINDER	6.00	439.00
06/21/13 Equip	R105	R105	RENTAL ASPHALT GRINDER	6.00	439.00
06/26/13 Equip	R105	R105	RENTAL ASPHALT GRINDER	6.00	439.00
06/27/13 Equip	R105	R105	RENTAL ASPHALT GRINDER	6.00	439.00
06/20/13 Equip	R105	R105	RENTAL ASPHALT GRINDER	6.00	439.00
06/18/13 Equip	R105	R105	RENTAL ASPHALT GRINDER	6.00	439.00
06/24/13 Equip	R112	R112	RENTAL BACKHOE SMALL (JD410)	9.00	0.00
06/19/13 Equip	R112	R112	RENTAL BACKHOE SMALL (JD410)	9.00	0.00
06/21/13 Equip	R112	R112	RENTAL BACKHOE SMALL (JD410)	8.00	0.00
06/26/13 Equip	R112	R112	RENTAL BACKHOE SMALL (JD410)	9.00	0.00
06/17/13 Equip	R112	R112	RENTAL BACKHOE SMALL (JD410)	9.00	0.00
06/27/13 Equip	R112	R112	RENTAL BACKHOE SMALL (JD410)	9.00	0.00
06/20/13 Equip	R112	R112	RENTAL BACKHOE SMALL (JD410)	9.00	0.00
06/25/13 Equip	R112	R112	RENTAL BACKHOE SMALL (JD410)	9.00	0.00
06/18/13 Equip	R112	R112	RENTAL BACKHOE SMALL (JD410)	9.00	0.00
06/21/13 Equip	R115	R115	NEW RATE STARTING FY 08-09RENTAL ROLLER L	8.00	0.00
06/26/13 Equip	R115	R115	NEW RATE STARTING FY 08-09RENTAL ROLLER L	9.00	0.00
06/27/13 Equip	R115	R115	NEW RATE STARTING FY 08-09RENTAL ROLLER L	9.00	0.00
06/20/13 Equip	R115	R115	NEW RATE STARTING FY 08-09RENTAL ROLLER L	9.00	0.00
06/18/13 Equip	R115	R115	NEW RATE STARTING FY 08-09RENTAL ROLLER L	9.00	0.00
06/17/13 Equip	R110	R110	RENTAL DUMPTRUCK 10 WHEEL NWMN	38.00	87.00
06/25/13 Equip	R110	R110	RENTAL DUMPTRUCK 10 WHEEL NWMN	56.25	87.00
06/24/13 Equip	R110	R110	RENTAL DUMPTRUCK 10 WHEEL NWMN	59.00	87.00
06/18/13 Equip	R111 / R111	R111 / R111	RENTAL DUMPTRUCK TRANSFER NWMNRENTAL	57.25	87.00
06/26/13 Equip	R111 / R111	R111 / R111	RENTAL DUMPTRUCK TRANSFER NWMNRENTAL	61.75	87.00
06/21/13 Equip	R111 / R111	R111 / R111	RENTAL DUMPTRUCK TRANSFER NWMNRENTAL	65.00	87.00
06/27/13 Equip	R111 / R111	R111 / R111	RENTAL DUMPTRUCK TRANSFER NWMNRENTAL	65.50	87.00
06/20/13 Equip	R111 / R111	R111 / R111	RENTAL DUMPTRUCK TRANSFER NWMNRENTAL	67.50	87.00
06/19/13 Equip	R111 / R111	R111 / R111	RENTAL DUMPTRUCK TRANSFER NWMNRENTAL	80.00	87.00
Subtotal for Equip				63,675.75	
Loaded Labor Rate					

NG BLVD 73,747.0 SQ F

06/17/13
Completed

06/27/13

06/18/13 Labor	9.00	120.37	1,083.33
06/18/13 Labor	2.50	120.37	300.93
06/19/13 Labor	9.00	120.37	1,083.33

06/19/13 Labor	1.50	120.37	180.56
06/20/13 Labor	9.00	120.37	1,083.33
06/20/13 Labor	1.00	120.37	120.37
06/21/13 Labor	8.00	120.37	962.96
06/21/13 Labor	2.50	120.37	300.93
06/26/13 Labor	9.00	120.37	1,083.33
06/26/13 Labor	1.00	120.37	120.37
06/27/13 Labor	9.00	120.37	1,083.33
06/21/13 Labor	8.00	125.92	1,007.36
06/19/13 Labor	4.00	125.92	503.68
06/18/13 Labor	9.00	125.92	1,133.28
06/19/13 Labor	9.00	125.92	1,133.28
06/19/13 Labor	2.50	125.92	1,133.28
06/20/13 Labor	9.00	125.92	1,133.28
06/26/13 Labor	2.00	125.92	251.84
06/26/13 Labor	9.00	125.92	1,133.28
06/27/13 Labor	9.00	125.92	1,133.28
06/24/13 Labor	5.00	125.92	629.60
06/25/13 Labor	4.50	125.92	566.64
06/17/13 Labor	9.00	125.92	1,133.28
06/18/13 Labor	2.50	125.92	314.80
06/18/13 Labor	4.00	125.92	503.68
06/19/13 Labor	3.00	125.92	377.76
06/20/13 Labor	9.00	125.92	1,133.28
06/20/13 Labor	4.00	125.92	503.68
06/21/13 Labor	8.00	125.92	1,007.36
06/21/13 Labor	3.00	125.92	377.76
06/21/13 Labor	9.00	125.92	1,133.28
06/26/13 Labor	1.50	125.92	188.88
06/26/13 Labor	9.00	125.92	1,133.28
06/27/13 Labor	9.00	133.45	1,201.05
06/17/13 Labor	9.00	120.37	1,083.33
06/18/13 Labor	2.50	120.37	300.93
06/18/13 Labor	9.00	120.37	1,083.33
06/19/13 Labor	3.50	120.37	421.30
06/20/13 Labor	9.00	120.37	1,083.33
06/21/13 Labor	8.00	120.37	962.96
06/21/13 Labor	2.50	120.37	300.93
06/26/13 Labor	9.00	120.37	1,083.33
06/26/13 Labor	1.00	120.37	120.37
06/27/13 Labor	9.00	120.37	1,083.33
06/21/13 Labor	8.00	125.92	1,007.36

06/20/13 Labor	9.00	125.92	1,133.28
06/20/13 Labor	1.00	125.92	125.92
06/17/13 Labor	9.00	131.06	1,179.54
06/18/13 Labor	9.00	131.06	1,179.54
06/18/13 Labor	2.00	131.06	262.12
06/19/13 Labor	9.00	131.06	1,179.54
06/19/13 Labor	2.50	131.06	327.65
06/20/13 Labor	9.00	131.06	1,179.54
06/20/13 Labor	3.00	131.06	393.18
06/21/13 Labor	8.00	131.06	1,048.48
06/21/13 Labor	3.00	131.06	393.18
06/26/13 Labor	9.00	131.06	1,179.54
06/27/13 Labor	1.50	131.06	196.59
06/24/13 Labor	9.00	131.06	1,179.54
06/25/13 Labor	9.00	131.06	1,179.54
06/17/13 Labor	9.00	131.06	1,179.54
06/18/13 Labor	9.00	125.92	1,133.28
06/18/13 Labor	9.00	125.92	1,133.28
06/19/13 Labor	3.00	125.92	377.76
06/19/13 Labor	9.00	125.92	1,133.28
06/19/13 Labor	3.00	125.92	377.76
06/20/13 Labor	9.00	125.92	1,133.28
06/20/13 Labor	3.50	125.92	440.72
06/21/13 Labor	8.00	125.92	1,007.36
06/21/13 Labor	3.00	125.92	377.76
06/26/13 Labor	9.00	125.92	1,133.28
06/27/13 Labor	2.00	125.92	251.84
06/24/13 Labor	9.00	125.92	1,133.28
06/25/13 Labor	9.00	125.92	1,133.28
06/18/13 Labor	2.50	142.51	356.28
06/19/13 Labor	3.00	142.51	427.53
06/20/13 Labor	1.50	142.51	213.77
06/20/13 Labor	9.00	142.51	1,282.59
06/17/13 Labor	9.00	125.92	1,133.28
06/18/13 Labor	9.00	125.92	1,133.28
06/19/13 Labor	9.00	125.92	1,133.28
06/20/13 Labor	9.00	125.92	1,133.28
06/21/13 Labor	8.00	125.92	1,007.36
06/21/13 Labor	1.00	125.92	125.92
06/26/13 Labor	9.00	125.92	1,133.28
06/26/13 Labor	0.50	125.92	62.96
06/27/13 Labor	9.00	125.92	1,133.28
06/24/13 Labor	8.00	125.92	1,007.36
06/17/13 Labor	9.00	125.92	1,133.28
06/17/13 Labor	9.00	125.92	1,133.28

06/18/13 Labor	9.00	125.92	1,133.28
06/18/13 Labor	2.50	125.92	314.80
06/19/13 Labor	9.00	125.92	1,133.28
06/19/13 Labor	3.00	125.92	377.76
06/20/13 Labor	9.00	125.92	1,133.28
06/20/13 Labor	3.50	125.92	440.72
06/21/13 Labor	8.00	125.92	1,007.36
06/21/13 Labor	3.00	125.92	377.76
06/26/13 Labor	9.00	125.92	1,133.28
06/26/13 Labor	2.00	125.92	251.84
06/27/13 Labor	9.00	125.92	1,133.28
06/24/13 Labor	9.00	125.92	1,133.28
06/25/13 Labor	9.00	125.92	1,133.28
06/17/13 Labor	9.00	131.06	1,179.54
06/18/13 Labor	9.00	131.06	1,179.54
06/19/13 Labor	8.00	131.06	1,048.48
06/20/13 Labor	3.00	131.06	393.18
06/19/13 Labor	9.00	131.06	1,179.54
06/20/13 Labor	9.00	131.06	1,179.54
06/20/13 Labor	3.50	131.06	458.71
06/21/13 Labor	8.00	131.06	1,048.48
06/21/13 Labor	3.50	131.06	458.71
06/21/13 Labor	5.00	131.06	655.30
06/26/13 Labor	5.00	131.06	655.30
06/26/13 Labor	1.00	131.06	131.06
06/27/13 Labor	5.00	131.06	655.30
06/17/13 Labor	0.50	131.06	65.53
06/18/13 Labor	2.00	131.06	262.12
06/24/13 Labor	5.00	131.06	655.30
06/24/13 Labor	0.50	131.06	65.53
06/25/13 Labor	5.00	131.06	655.30
06/25/13 Labor	0.50	131.06	65.53
06/26/13 Labor	0.50	131.06	65.53
06/27/13 Labor	0.50	131.06	65.53
06/17/13 Labor	9.00	131.06	1,179.54
06/18/13 Labor	9.00	131.06	1,179.54
06/18/13 Labor	1.00	131.06	131.06
06/18/13 Labor	9.00	131.06	1,179.54
06/19/13 Labor	9.00	131.06	1,179.54
06/19/13 Labor	1.50	131.06	196.59
06/21/13 Labor	8.00	131.06	1,048.48
06/26/13 Labor	9.00	131.06	1,179.54
06/26/13 Labor	0.50	131.06	65.53
06/27/13 Labor	9.00	131.06	1,179.54
06/24/13 Labor	9.00	131.06	1,179.54
06/25/13 Labor	9.00	131.06	1,179.54
06/17/13 Labor	9.00	125.92	1,133.28
06/18/13 Labor	9.00	125.92	1,133.28
06/18/13 Labor	3.00	125.92	377.76

06/19/13 Labor	9.00	125.92	1,133.28
06/19/13 Labor	3.50	125.92	440.72
06/20/13 Labor	9.00	125.92	1,133.28
06/20/13 Labor	4.00	125.92	503.68
06/21/13 Labor	8.00	125.92	1,007.36
06/21/13 Labor	3.50	125.92	440.72
06/26/13 Labor	9.00	125.92	1,133.28
06/26/13 Labor	2.50	125.92	314.80
06/27/13 Labor	9.00	125.92	1,133.28
Subtotal for Labor			116,181.54

06/26/13 Material	HWY102	DUMPL & D PER TON	6.90	11.40	78.66
06/25/13 Material	HWY102	DUMPL & D PER TON	94.41	11.40	1,076.27
06/18/13 Material	HWY242	TEICHERT 3/4" AB	15.38	11.00	169.18
06/21/13 Material	HWY245	TEICHERT 1/2" AC	204.57	57.09	11,678.90
06/27/13 Material	HWY245	TEICHERT 1/2" AC	286.14	51.93	14,859.25
06/20/13 Material	HWY245	TEICHERT 1/2" AC	284.20	57.09	16,224.98
06/18/13 Material	HWY245	TEICHERT 1/2" AC	305.77	57.09	17,456.41
06/26/13 Material	HWY245	TEICHERT 1/2" AC	363.82	51.93	18,893.17
06/19/13 Material	HWY245	TEICHERT 1/2" AC	402.15	51.93	20,883.65
06/21/13 Material	HWY305	MISCELLANEOUS MATERIAL	1.00	16.18	16.18
06/18/13 Material	HWY305	MISCELLANEOUS MATERIAL	1.00	19.02	19.02
06/26/13 Material	HWY305	MISCELLANEOUS MATERIAL	1.00	80.92	80.92
06/18/13 Material	HWY305	MISCELLANEOUS MATERIAL	1.00	333.45	333.45
06/18/13 Material	SSIT	EMULSION TEICHERT SSI PER GALLON	40.96	7.00	286.72
06/20/13 Material	SSIT	EMULSION TEICHERT SSI PER GALLON	190.36	7.00	1,332.52
06/26/13 Material	SSIT	EMULSION TEICHERT SSI PER GALLON	238.55	7.07	1,686.55
Subtotal for Material					105,075.83
Total					284,933.12

08/05/13